(b) to (d). The information is being collected and will be laid on the Table of the House.

Rate of Interest of Term Deposits

5232. SHRI RAM KAPSE: Will the Minister of FINANCE be pleased to state:

(a) the rates of interest on term deposits for three years or more by nationalised banks and the primary urban co-operative banks;

(b) whether the co-operative banks were permitted in the past to pay higher rate of interest i.e. one per cent more than the nationalised banks;

(c) if so, the reasons therefor; and

(d) the steps taken by the Government to allow the co-operative banks to continue to pay higher rate of interest on term deposits?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) to (d). The rate of interest on term deposits with nationalised banks for 3 years and over has been raised from 12% to 13% with effect from 4th July, 1991. In the case of primary urban co-operative banks, the rate of interest on term deposits for a similar period was revised up-ward to 13% from 24th July, 1991. In addition, the primary cooperative banks other than those which are scheduled, are allowed to give one per cent additional discretionary interest for all term deposits other than those for 3 years and above.

Primary Cooperative Banks were given in the past the discretion to pay one per cent additional interest on term deposits so that these banks would be in a position to compete with commercial banks and mobilise deposits which could be fruitfully utilised for lending. Over the years many of the Urban Cooperative Banks have grown to sizeable proportions. RBI has, therefore, asked the Urban Cooperative Banks to restrict the discretionary additional interest rate for term deposits for three years and above to half per cent only. However, they are still allowed by RBI to pay 1 per cent additional diecretionary interest on term deposits for less than 3 years.

Micro Light Aircraft Project

5233. SHRI BALRAJ PASSI:
SHRI RAMESH CHAND TOMAR:
SHRI CHETAN P.S. CHAUHAN:

Will the Minister of DEFENCE be pleased to state:

(a) whether the comptroller and Auditor General of India, in his report on Union Government (Commercial), No. 7 of 1990 in respect of Audit Observations on individual topics, has commented on the failure of the Hindustan Aeronautics Limited to develop a Micro Light Aircraft despite considerable time and cost overrun and ultimately abandoning the project;

(b) if so, whether responsibility has been fixed for the failure of the company to develop the Micro Light Aircraft; and

(c) if so, the details thereof and further action taken in the matter?

THE MINISTER OF DEFENCE (SHRI SHARAD PAWAR): (a) Yes, Sir.

(b) and (c). The question of fixing the responsibility does not arise as it was only a Research and Development project using the available man power of HAL in the Design Division, which in spite of having to be abandoned, had provided valuable hands on experience to the designers.